



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0337	Title:	Increase resource limits for medicaid program for workers with disabilities
Primary Sponsor:	Karjala, Jessica	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$71,699	\$154,316	\$247,015	\$350,850
Federal Special Revenue	\$135,045	\$286,461	\$457,534	\$649,863
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$135,045	\$286,461	\$457,534	\$649,863
Net Impact-General Fund Balance:	<u>(\$71,699)</u>	<u>(\$154,316)</u>	<u>(\$247,015)</u>	<u>(\$350,850)</u>

Description of fiscal impact: It is estimated that HB 337 will add 30 Medicaid workers with disability cases per year.

FISCAL ANALYSIS

Assumptions:

1. Director's Office
 - a) Minor changes would be required to amend administrative rules for Medicaid for Workers with Disabilities. It is estimated that the cost of the rule changes would be absorbed within existing program resources.
2. Technology Services Division
 - a) Code table changes and minor eligibility rule changes would be required in the Medicaid eligibility system to enact the new resource limits identified in Section 1 (6)(c) and Section 2 (2)(b) of this bill. It is assumed that these code table changes would be minimal and would be conducted under existing system maintenance and operations services. There would be no fiscal impact to the division.

3. Health Resources Division

- a) The impact of increasing the eligibility is estimated based on the following assumptions:
- i) The calculated Per Member Per Month (PMPM) cost for paid claims in SFY 2014 was \$562.13 and is anticipated to increase 6% per year based on the historical Medicaid growth patterns.
 - ii) The calculated PMPM cost share received by the state for SFY 2014 was \$57.32 and is anticipated to remain flat.
 - iii) The anticipated increase in enrollment is 30 cases per year.
 - iv) The table below shows the total effect to the caseload annually:

SFY	Paid Claims PMPM	Cost Share PMPM	Net PMPM	Anticipated Enrollees	Total Annual Impact
2016	\$631.61	(\$57.32)	\$574.29	30	\$206,744
2017	\$669.51	(\$57.32)	\$612.19	60	\$440,777
2018	\$709.68	(\$57.32)	\$652.36	90	\$704,549
2019	\$752.26	(\$57.32)	\$694.94	120	\$1,000,714

- v) The Federal Medicaid Assistance Percentage (FMAP) is estimated at 65.32 FY 2016, 64.99 in FY 2017, 64.94 in FY 2018 and FY 2019.

SFY	Total Annual Impact	General Fund	Federal Fund
2016	\$206,744	\$71,699	\$135,045
2017	\$440,777	\$154,316	\$286,461
2018	\$704,549	\$247,015	\$457,534
2019	\$1,000,714	\$350,850	\$649,863

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Benefits/Claims	\$206,744	\$440,777	\$704,549	\$1,000,714
TOTAL Expenditures	\$206,744	\$440,777	\$704,549	\$1,000,714
<u>Funding of Expenditures:</u>				
General Fund (01)	\$71,699	\$154,316	\$247,015	\$350,850
Federal Special Revenue (03)	\$135,045	\$286,461	\$457,534	\$649,863
TOTAL Funding of Exp.	\$206,744	\$440,777	\$704,549	\$1,000,713
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$135,045	\$286,461	\$457,534	\$649,863
TOTAL Revenues	\$135,045	\$286,461	\$457,534	\$649,863
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$71,699)	(\$154,316)	(\$247,015)	(\$350,850)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. Currently, retirement accounts are excluded as a resource in Medicaid Worker Disabilities (MWD), but are counted for the Aged, Blind and Disabled (ABD) coverage group. HB 337 provides that the Department could not count individual retirement accounts as a resource, if a person who is no longer eligible for MWD applies for Medicaid under a different coverage group, and the individual retirement account was established while the individual was receiving benefits through MWD. Excluding such funds for individuals coming from MWD would result in disparate treatment of similarly situated classes of individuals. Retirement funds would be counted for disabled individuals, who were never enrolled in MWD, but would not be counted for disabled individuals, who previously were enrolled in MWD. This could raise an equal protection issue.
2. The financial information provided relates to all Medicaid Claims. These claims are from Health Resources Division, Senior and Long Term Care Division and Additive and Mental Disorders Division.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date